5.0 SOCIOECONOMIC EFFECTS AND ENVIRONMENTAL JUSTICE

This section discusses the existing social and economic conditions within the Project region and site and provides an assessment of the potential effects of the proposed actions on the existing conditions. The assessment for these issues differs from an "impact analysis" as there are no established significance criteria and therefore impacts cannot be quantified and no mitigations can, therefore, be recommended.

5.1 SOCIOECONOMIC EFFECTS

Unless they result in a physical change in the environment, the California Environmental Quality Act (CEQA) does not consider economic and social effects to be environmental effects. However, the lead agency, California State Lands Commission (CSLC), desires that the Environmental Impact Report (EIR) provide an analysis of economic or social effects of the proposed Project on specific industry sectors (e.g., fishing, farming, etc.), small businesses, and communities. The following section discusses the existing socioeconomic conditions within the Project region and provides an analysis of the potential effects of the proposed actions on those resources. No significance criteria have been developed for this assessment, therefore an impact analysis is not provided nor are any specific mitigation measures recommended.

5.1.1 Analysis and Conditions

Onshore Socioeconomic Conditions

Morro Bay's per capita income in 2005, the latest data available, was $26,432, while the median household income was $41,383. In 2005, a total of 4.1 percent of the population was unemployed. This is comparable to the national average of 5.0 percent for the same time period. In 2005, the median home cost in Morro Bay was $650,000, with 22.21 percent of the houses vacant (Morro Bay Lodging 2005).

Section 4.4, Commercial and Recreational Fishing Resources, describes commercial fishing activities in the offshore area where the cable is proposed. Vessels fishing in the area are primarily from the Morro Bay and Port San Luis harbors. Morro Bay Harbor is administered by the City of Morro Bay Harbor Department and is used primarily by commercial fishing vessels, of which from 100 to 150 are typically present. The current annual budget of the Harbor Department is expected to be just under $1,733,000, which is almost entirely derived from the fees paid for harbor leases, dockage and mooring, and slip rentals (Lichtenbaum personnel communication, 2008). The Port San Luis Harbor is administered by the Port San Luis Harbor District, which includes adjacent

tidelands. Typically, about 250 vessels, half of which are commercial fishing vessels, are anchored at the harbor. The District has a current budget of $1,840,000, 27 percent of which is derived from leasing, dockage, and other fees paid by users of the harbor, while 73 percent comes from County property taxes (Port San Luis Harbor District 2008).

For the years 2003 through 2007, combined ex-vessel values of fishery landings at Morro Bay and Port San Luis have averaged $3.1 million per year, with a peak of $5 million in 2003 (California Department of Fish & Game [CDFG], unpublished). The importance of trawling has decreased during this period; however, historically trawl landings have accounted for about 60 percent of the total (Morro Group 1999). Based on CDFG port landing data for the period 2003 through 2007, about 50 percent of the value of all fishery resources sold within the area's ports is landed in Morro Bay, while 37 percent is landed at Port San Luis; the remainder is landed at San Simeon.

Area businesses that also benefit from commercial fishing include fish processors, restaurants, and businesses that sell ice, bait, food, provisions, fuel, and insurance to fishers (Morro Group 1999). Commercial fishing is part of the region's heritage and further contributes to the local economy by making the area attractive for both residents and visitors.

Fishing operations are highly vulnerable to the weather and are constrained by the abundance and/or catchability of fisheries resources as well as by quotas and seasonal restrictions set by the California Department of Fish and Game. An analysis of economic information provided by fishers suggests that commercial fishers, especially trawlers, operate under narrow profit margins due to relatively high operating expenses in relation to income (Morro Group 1999). This magnifies any effects of disruptions of fishing activity or increases in the cost of fishing.

Offshore Socioeconomic Conditions

A major offshore economic impact to the region is income generated by commercial and recreational fishing. Commercial fishing has long been an important component of the economy of the central coast; however, as described above, the value of the landings has generally decreased over the past ten years. Corresponding to this steady decrease, demand for commercial fishing facilities has declined in recent years and at the same time demand for recreational boating facilities has increased.

Recent commercial fishing economic problems within the region have been identified (Coastal Conservancy 2006); with the purchasing of most of the commercial trawling licenses by The Nature Conservancy, commercial trawling by local fishers has been substantially reduced. Additionally, recent seasonal (salmon) and area/gear-type restrictions (trawling and gill nets) have also negatively impacted local commercial fishing.

In 2007, the total commercial landings at Morro Bay were valued at $1,699,104 and $952,376 at Port San Luis. The five highest-value commercial species landed in the two-port area in 2007 are shown in Table 5.1-1 below.

Table 5.1-1. Five High-Value Commercial Species Landed at the Ports of Morro Bay and San Luis (2007)

Morro Bay (Species/Total Value)	Port San Luis (Species/Total Value)
Swordfish/$464,197	Dungeness Crab/$220,441
Sablefish/$335,426	Brown Rockfish/$203,223
Grass Rockfish/$185,159	Gopher Rockfish/$110,658
Spot Prawns/$141,125	Rock Crab/$96,057
Cabezon/$106,693	Cabezon/$68,025

In 2002, at least 36 charter businesses serviced sport fishermen and tourists in Morro Bay; by 2003 that number dropped to 27 (National Oceanic and Atmospheric Administration [NOAA] 2008). Two licensed agents sell sportfishing licenses in Morro Bay; in 2000, San Luis Obispo County residents purchased: 43,399 resident sportfishing licenses, 40 nonresident sportfishing licenses, 52 sport salmon punch cards, and 30 abalone report cards. In the port group consisting of Avila Beach and Morro Bay, 12 commercial passenger-fishing vessels served 17,759 anglers in 2000. These vessels reported 123,441 landings composed of more than a dozen species. Rockfish (unspecified) and albacore tuna accounted for 93.9 percent and 4.6 percent of the landings, respectively.

Analysis

Cable installation will involve a team of between 10 to 20 workers (some of whom will come from outside the region) that will be engaged in land-based activities at Montaña de Oro State Park. Additionally, the cable-laying vessel will have a crew of about 20 people with some additional personnel operating a service vessel that provides ship-to-shore services. These activities will continue for approximately three weeks, during

which time expenditures (for personal services and goods and supplies) will be made in the local economy. Expenditures would include food and lodging (typically about $100 per person per day), car rental and other incidentals for non-local workers, as well as dockage fees paid to the Morro Bay Harbor for vessels that temporarily come to shore.

In terms of its immediate effect on local employment and the use of harbor facilities, the proposed Project represents a temporary use that would result in short-term economic benefit. The temporary closure of the Sandspit Beach parking lot during cable pulling operations should not result in a substantial economic effect on the Park as other nearby parking facilities are available; beach and sea access will remain open.

Short-term preclusion of some offshore fishing areas during installation of the cable is not expected to result in substantial economic effects and no interruption or conflict between Project-related vessels and activities and local vessels is anticipated. No preclusion of slips or docking facilities by Project vessels is expected.

The social and economic effects of the installation of the proposed cable system are expected to be minimal and short-term. Likewise the proposed actions are not expected to result in any long term, substantial beneficial or detrimental effects to the existing socioeconomic conditions.

5.1.2 Relationship to Alternatives

No Project Alternative

This alternative would result in no construction occurring and therefore no socioeconomic effects would be expected. No short-term local employment or economic benefits from purchase of supplies, etc. would be realized and use of the Sandspit Beach parking lot would not be interrupted. The No Project Alternative would also not generate any beneficial or detrimental effects to the existing marine-related socioeconomic conditions.

Cable Re-route/Maximum Burial Alternative

The Maximum Burial Alternative would result in a similar work force, a slightly longer period for offshore construction, and would ultimately result in less exposed cable in the offshore area. Less exposed cable would reduce potential economic losses from commercial fishing gear entanglement; however, because AT&T is a signatory to the 2002 Agreement Between Cable Companies and Fishermen, those effects are minimal.

The overall effects of this alternative to the existing socioeconomic conditions are expected to be similar to those resulting from the proposed Project.

5.1.3 Cumulative Projects Analysis

Due to the timing of the other projects in the area none are expected to be concurrent with the proposed Project. In addition, none of the cumulative projects include placement of objects onto the seafloor that would result in long-term preclusion from fishing and the associated potential for reduced income to fishers nor are any of the cumulative projects expected to be constructed during the cable construction period for the proposed Project. Therefore, no cumulative effects are expected.

5.2 ENVIRONMENTAL JUSTICE AND HUMAN POPULATION

This section analyzes the distributional patterns of high-minority and low-income populations on a regional basis and characterizes the distribution of such populations adjacent to the proposed and alternative cable routes. This analysis focuses, in the main, on whether the proposed Project's impacts have the potential to affect area(s) of high-minority population(s) and low-income communities disproportionately and thus create an adverse environmental justice impact.

There have been no recent regional or local environmental justice assessments performed by agencies within the study area (Grossman, personal communication, 2008). As such the following assessment is based on other projects proposed within CSLC jurisdiction. Methods applied in this EIR analysis are consistent with those used in the previous CSLC reports.

On February 11, 1994, President Clinton issued an "Executive Order on Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations" designed to focus attention on environmental and human health conditions in areas of high minority populations and low-income communities, and promote non-discrimination in programs and projects substantially affecting human health and the environment (White House 1994). The order requires the United States (U.S.) Environmental Protection Agency (EPA) and all other Federal agencies (as well as State agencies receiving Federal funds) to develop strategies to address this issue. The agencies are required to identify and address any disproportionately high and adverse human health or environmental effects of their programs, policies, and activities on minority and/or low-income populations.

The California State Lands Commission (CSLC) developed and adopted an Environmental Justice Policy to ensure equity and fairness in its own processes and procedures. The CSLC adopted an amended Environmental Justice Policy on October 1, 2002, to ensure that "Environmental Justice is an essential consideration in the Commission's processes, decisions and programs and that all people who live in California have a meaningful way to participate in these activities." The policy stresses equitable treatment of all members of the public and commits to consider environmental justice in its processes, decision-making, and regulatory affairs which is implemented, in part, through identification of, and communication with, relevant populations that could be adversely and disproportionately impacted by CSLC projects or programs, and by ensuring that a range of reasonable alternatives is identified that would minimize or eliminate environmental impacts affecting such populations. This discussion is provided in this document consistent with and in furtherance of the Commission's Environmental Justice Policy. The staff of the CSLC is required to report back to the Commission on how environmental justice is integrated into its programs, processes, and activities (CSLC 2002).

5.2.1 Setting (Project Study Area, Demographics, and Communities of Comparison)

Completion of the proposed Project would require installation of one submarine fiber optic cable system on the continental shelf off of Morro Bay, California, placing that cable into an existing nearshore conduit, pulling and installing shore-side and terrestrial segments of the cable into an existing conduit, and connecting the completed fiber optic and power cable system to an existing facility near San Luis Obispo, California. A grounding unit will also be installed in the aforementioned cable facility.

Offshore

The offshore portion of the Project site will require a new lease from the CSLC, but will be located in proximity to existing shore-side conduits operated by AT&T, which are located within CSLC leases PRC 7603.9 and 8144.1.

Mr. Eric Endersby of the Morro Bay Harbor Department (pers. comm.) indicates that subsistence fishing within the Morro Bay area is relatively popular and estimates that over 100 locals probably rely on subsistence fishing for a substantial portion of their diet. The shoreline along Montana del Oro State Beach is popular for surf fishing where target species include surf perch. Rockfish and halibut are caught by local recreational and some subsistence fishers in deeper water (up to 150 ft) rocky-bottom areas further

offshore. Access to those offshore sites is limited to kayaks and personal boats which are launched from Spooner's Cove (approximately 1 mile [1.6 km] south of the cable landfall site) and from Morro Bay, respectively when weather conditions allow. Another popular nearby recreational and subsistence fishing area known as "the shell mound" is in 30 to 50 ft (9 to 15 m) of water approximately 1.5 miles (2.4 km) north of the cable landfall.

Onshore

The onshore corridor extends approximately 10.5 miles (16.9 km) from the beach parking lot manhole to the San Luis Obispo Cable Station. The Project area is located within U.S. Census Tract Nos. 107.02 and 108 (Figure 5.2-1).

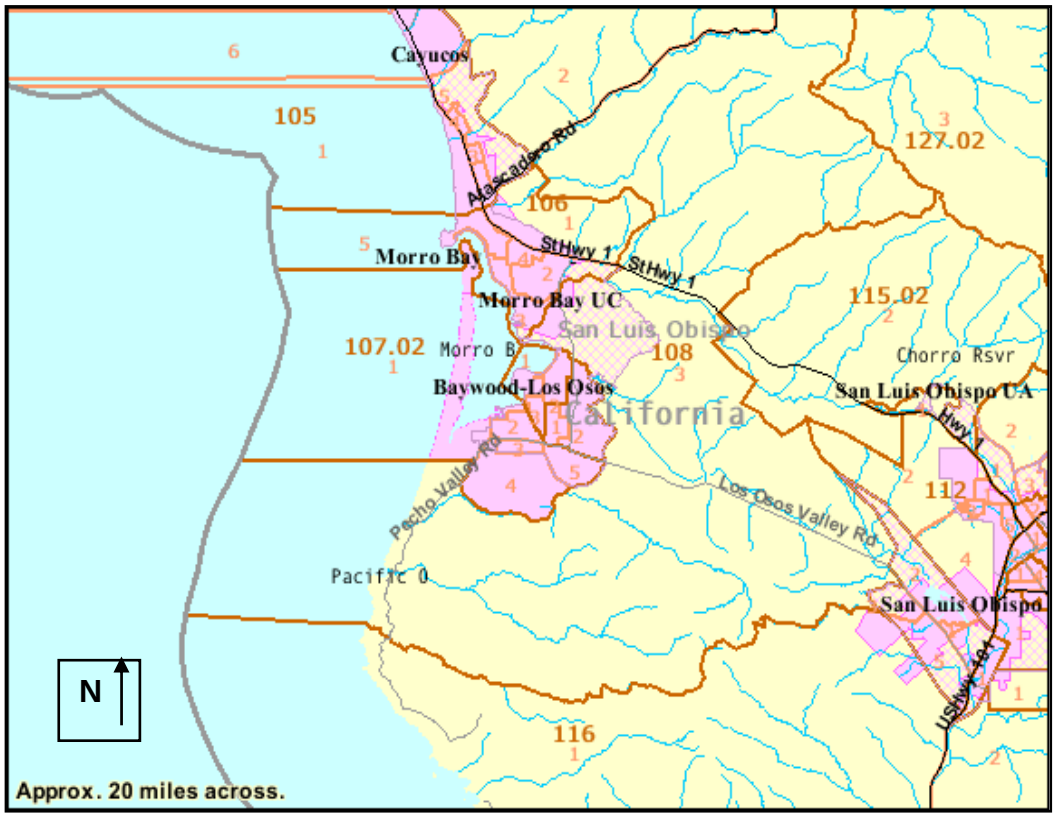


Figure 5.2-1. Representative Tract Map - Project Area

However, because the Project is located outside of residential areas, no U.S. Census Bureau demographic statistics specific to these tracts are available from the published data. Therefore, the following onshore census data and maps are based on information for the adjacent city of Morro Bay.

The most recent population demographic characteristics available for the city of Morro Bay are for the 2000 calendar year. U.S. Census Data are complied at ten-year intervals. The next census data count will occur for 2010. The city of Morro Bay has a population of approximately 10,350 with a total of 6,251 housing units (U.S. Census 2000). The average household size is approximately 2.04 persons. Of this population, approximately 89.4 percent (9,257 persons) are of Caucasian origin. The minority race with the highest concentration in this area is Hispanic or Latino, which constitutes approximately 11.4 percent (1,183 persons) of the population (see Table 5.2-1).

Table 5.2-1. City of Morro Bay Demographics (Based on U.S. Census 2000)

Population Components	Number	Percent
Total Population:	10,350	100.0
One Race:	**10,045**	**97.1**
Caucasian	9,257	89.4
Black or African American	70	0.7
American Indian and Alaska Native	98	0.9
Asian	187	1.8
Native Hawaiian and Other Pacific Islander	9	0.1
Some Other Race	424	4.1
Two or More Races	305	2.9
Hispanic or Latino of Any Race (dominant minority)	1,183	11.4
Total Households:	6,251	100.0
Number of Persons Below Established Poverty Level:	1,312	13.0

One feature of the 2000 U.S. Census data is important to note, because it complicates the environmental justice analysis. Hispanic and Latino persons are considered as minority persons, consistent with Federal and state environmental justice policies. However, as characterized in the census data, Hispanic or Latino persons may also belong to any race (i.e., White, Black, Native American, or any other racial category). Because an unspecified percentage of Hispanic or Latino persons identify themselves as White, the census data do not include members of that group in the category of "ethnic minorities." As a result, for a given population, the total percentage of persons belonging to "ethnic minorities" (as defined by census data) underestimates the actual percentage of minority community members.

The 2000 U.S. Census and the American Community Survey (ACS), indicates that people who identify with the terms "Hispanic" or "Latino" are those who classify themselves in one of the specific Hispanic or Latino categories listed on the Census

2000 or ACS questionnaire as "Mexican," "Puerto Rican," or "Cuban" as well as those who indicate that they are "other Spanish, Hispanic, or Latino." Origin can be considered as the heritage, nationality group, lineage, or country of birth of the person or the person's parents or ancestors before their arrival in the United States. People who identify their origin as Spanish, Hispanic, or Latino may be of any race (U.S. Census 2005).

The distribution of Hispanic or Latino residents in proximity to the Project site is presented on the first map in Table 5.2-2.

The Federal Office of Management and Budget's (OMB's) Directive 14 requires that the U.S. Census Bureau use a set of money income thresholds that vary by family size and composition to identify residents who live at or below poverty levels. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being "below the poverty level." In terms of economic characteristics, the population of the city of Morro Bay earns a median household income of $34,379.00, which is lower than the national average of $41,994.00. Approximately 213 (8.1 percent) of families, and 1,312 (13 percent) of individuals in this community earn a per capita income below the established poverty level. The distribution of lower-income residents in proximity to the Project site is represented in the second map shown in Table 5.2-2.

5.2.2 Policy Analysis and Conditions

Community Involvement

As discussed above, within Section 1.3, Public Review and Comment (in accordance with CEQA), public comments with regard to the Project will be addressed as part of the final environmental document prepared on behalf of the Project. On November 7, 2007, pursuant to CEQA section 21080.4 and the CEQA Guidelines section 15082(a), the CSLC provided a Notice of Preparation (NOP) for the proposed Project to responsible and trustee agencies and to other interested parties. Additionally, the CSLC held a public and agency scoping meeting in San Luis Obispo, California on November 27, 2007, to solicit verbal comments on the scope of the EIR. A copy of the NOP, mailing list, meeting transcript, and letters received, as well as an index of where such comments are addressed in the document, are included in Appendix B.

Additionally, to ensure public safety during the proposed Project, notices will be posted in proximity to the Project site to inform the public (including minority users of the area)

of the proposed Project activities and duration as well as where alternative recreational opportunities can be found for use during the short-term construction period.

Given the above, no effects to environmental justice in terms of community involvement in the Project process would occur.

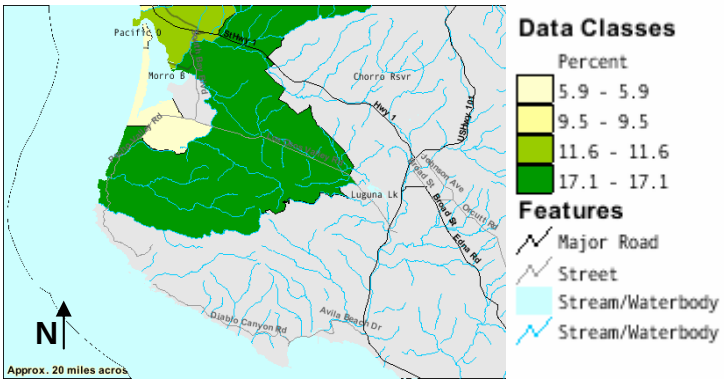
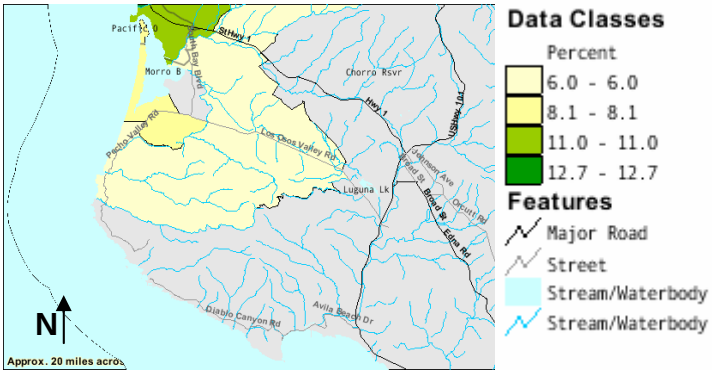
Land Use Consistency

As further described within Section 4.8, Land Use and Recreation, the proposed Project area would require a new offshore lease in proximity to four conduits operated by AT&T The onshore corridor would extend 10.5 miles (16.9 km) from the Sandspit Beach parking lot manhole to the San Luis Obispo Cable Station through Montaña de Oro State Park. The onshore Project site and surrounding land uses within this area are predominantly zoned in support of open space and recreational land uses. Given that applicable permits will be obtained from the appropriate regulatory bodies and presumably be consistent with their associated land use regulations prior to construction, the temporary construction activities associated with the cable installation would not result in any long-term land use incompatibilities or effects that would have the potential to affect low-income or minority populations.

Housing

As the proposed Project site is not located within a residential area, it would not displace existing homes or resources. The Project site is not proximal to low income or minority neighborhoods, and no noise, traffic, or aesthetic effects to these demographics are expected. During the proposed short-term construction period, installation activities would require the temporary employment of up to 20 persons. Given the temporary nature and short duration of Project activities, no permanent employment of any persons would result; and no housing that may displace/affect minority or low-income populations would be required.

Table 5.2-2. Distribution of Minority Race and Individuals Below Poverty Level Within the City of Morro Bay

Minority	Number of Persons	Percentage	Minority Distribution Map (Source: US Census 2000)
Hispanic or Latino of Any Race	1,183	11.4	
Individuals Below Poverty Level	1,312	13.0	

Footnote: Distribution maps were obtained through generation of thematic maps found within the U.S. Census Bureau website www.uscensus.gov. The range of colors from yellow to dark green is intended to show a representation of minority distribution within the queried area (in this case the city of Morro Bay). It is important to note that the numbers represented on this figure show a percentage of the localized distribution and will be different than the percentage of the total county minority population statistics. The area shown has been selected from a larger map of the total county to represent a 20-mile (32 km) radius within the vicinity of the proposed activities. The area shown is not meant to represent the proposed Project or Alternative areas of influence, but to provide more insight into the distribution of these important population groups. Additional detail with respect to the proposed Project or Alternatives and locally impacted communities is presented in the discussion above.

Recreational Resources

The Project site is located within Montaña de Oro State Park, which may be utilized by low-income or minority populations. During the proposed cable installation activities, a portion of the Sandspit Beach parking lot will be temporarily restricted from use or affected by construction-related noise. However, given the remaining areas of the State

Park available for parking, access and recreational use, and the temporary nature of proposed Project activities, no effects on environmental justice would result.

According to the Morro Bay Harbor Department (E. Endersby pers comm.) conflicts reported between fishing and previously-completed fiber optic laying operations was limited to commercial trawling and trolling gear. He was unaware of and he had not been informed of any conflicts between subsistence fishing and lay vessels or other fiber optic cable construction activities. Based on the limited period of time that cable lay operations will occur, the relatively limited period when weather conditions are conducive to offshore subsistence fishing within the area, and the abundance of other areas that are available to subsistence fishing activities, no significant impacts to that activity are expected during the proposed activities. The beach and nearshore sedimentary seafloor area immediately offshore of Montaña de Oro State Park will be available to surf fishers and with the exception of the safety zone around the lay vessel and support boats, preclusion of subsistence fishing will not result from the proposed operations.

5.2.3 Relationship to Alternatives

No Project Alternative

Under the No Project Alternative, the Project would avoid short-term construction-related effects on air quality, aesthetics, noise, and recreational resources that could potentially affect minority users of Montaña de Oro State Park. However, the objectives of the Project would not be achieved through implementation of this alternative.

Cable Re-route/Maximum Burial Alternative

Avoidance of offshore seafloor features would not significantly change the effects associated with resources affecting low-income or minority populations. Therefore, the effects of this alternative are considered to be comparable to the proposed Project.

5.2.4 Cumulative Projects Policy and Impact Analysis

Cumulative projects considered for analysis are further described in Section 3.5, Cumulative Related Future Projects. It is anticipated that if simultaneous construction of the projects identified within the Project vicinity were to occur, construction-related air quality, noise, and traffic effects to the local community and minority users of Montaña de Oro State Park could potentially result on a short-term basis.